



## CABINET FOR ECONOMIC DEVELOPMENT

**Matthew G. Bevin**  
Governor

Old Capitol Annex  
300 West Broadway  
Frankfort, Kentucky 40601  
ThinkKentucky.com

**Terry R. Gill, Jr.**  
Secretary

**Vivek K. Sarin**  
Executive Officer

### MEMORANDUM

**TO:** KEDFA Members

**FROM:** Katie Smith, Commissioner  
Department for Financial Services *KS*

**DATE:** March 22, 2019

**SUBJECT:** KEDFA Board Meeting

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The Kentucky Economic Development Finance Authority's next regular board meeting is scheduled for **Thursday, March 28, 2019** at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway in Frankfort. The meeting will convene at 10:00 a.m. (EDT) in the Board of Directors Conference Room.

If you have any questions, please feel free to contact our office at any time.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

Old Capitol Annex  
Board of Directors Conference Room  
300 West Broadway  
Frankfort, Kentucky

**AGENDA**  
**March 28, 2019**

**Call to Order**  
**Notification of Press**  
**Roll Call**

**Minutes**

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Minutes from February 28, 2019 Regular KEDFA Board Meeting  
Minutes from February 28, 2019 Executive Session

**Reports**

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Approved/Undisbursed Report	Kylee Palmer
Financial Statements & Monitoring Reports	Krista Harrod

**HTP Project**

David Brock / Kylee Palmer

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Roth River, Inc.	Jefferson
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**KEDFA IRB**

Debbie Phillips

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CommonSpirit Health

**EDB Project**

Michelle Elder

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Novelis Corporation	Todd
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**KBI Project (Amendment)**

Bobby Aldridge

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Copper & Kings Brandy Company	Jefferson
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**KEIA Projects (Extension)**

Bobby Aldridge

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DCL Fulfillment, Inc. dba DCL Logistics	Jefferson
FedEx Ground Package System, Inc.	Boone
Heaven Hill Distilleries, Inc.	Jefferson
MobileMedTek Holdings, Inc.	Jefferson
Stelised, Inc.	Shelby
Toyota Tsusho America, Inc.	Scott
Whiskey Service LLC	Boyle

**KEIA Project**

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HB Sealing Products Inc.	Jefferson	Lindsey Ransdell / Debbie Phillips
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**KBI Projects (Preliminary) & KEIA Projects**

PACCAR Inc.	Jefferson	Lucas Witt / Michelle Elder
PACCAR Inc.	Jefferson	

**KBI Projects (Preliminary)**

Graf Wood Products, Inc. dba Graf & Thomas Lumber, LLC	Lewis	Annie Franklin / Michelle Elder
LSI Kentucky LLC	Kenton	Annie Franklin / Debbie Phillips
Armor USA Inc.	Boone	Andy Luttner / Debbie Phillips
Best Sanitizers, Inc.	Boone	Andy Luttner / Debbie Phillips
Cans Unlimited, Inc.	Montgomery	Andy Luttner / Debbie Phillips
Piston Automotive, LLC	Jefferson	Andy Luttner / Debbie Phillips

**KBI Projects (Extension)**

Michelle Elder

Catalent Pharma Solutions, LLC	Clark
Rajant Corporation	Rowan
Toyotetsu America, Inc.	Pulaski
AquiSense Technologies LLC	Boone
Kentucky Fresh Harvest, LLC	Lincoln

**KBI Projects (Final)**

Debbie Phillips

Blue Grass Stockyards, LLC	Fayette
Lighthouse Transportation Services, LLC	Kenton
Logan Aluminum Inc.	Logan
Steel Ventures Incorporated	Greenup

**KRA Project (Final)**

Michelle Elder

Rane Precision Die Casting, Inc.	Logan
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**IEIA Project (Extension)**

Kylee Palmer

Cetna Energy, LLC	Boyd
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**KSBTC**

Tim Back

Cuddle Clones LLC	Jefferson
JayMase Construction, LLC	Madison
M & M Decorating LLC	McCracken
Mightily, LLC	Jefferson
Robinson, Hughes & Christopher, P.S.C.	Boyle
Sisk Nissan, LLC	Christian
West Sixth Brewing Company, LLC	Fayette

**Closed Session****Other Business****Adjournment**





# KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

## BOARD MEETING February 28, 2019

### MINUTES

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#### **Call to Order**

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:00 a.m. EST on February 28, 2019, at the Cabinet for Economic Development, Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, Kentucky.

#### **Notification of Press**

Jean R. Hale, Chairman, received verification that the media had been notified of the KEDFA regular monthly board meeting.

#### **Roll Call**

**Members Present:** Jean R. Hale, J. Don Goodin, Ryan Barrow, proxy for Secretary William M. Landrum, III, Tucker Ballinger, Joe Kelly and Chad Miller

**Staff Present:** Bobby Aldridge, Tim Back, Sarah Butler, Michelle Elder, Annie Franklin, Kate Greenwell, Andy Luttner, Brandon Mattingly, Kylee Palmer, Corky Peek, Debbie Phillips and Katie Smith

**Others Present:** Michael Kalinyak, Hurt, Deckard & May; Dwight Young, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Margo Watroba and Kevin Slattery, Meyer Tool, Inc.; Karen Finan, Ben Reynolds, Jacob Edmonds and Angie Mulberry, Northern Kentucky Tri-ED; Barry Lendrum, Paladin; Ben Moore, Louisville/Jefferson County Metro Government; Billy Aldridge, Finance & Administration Cabinet, Office of Financial Management; Matt Zoellner, Scott, Murphy & Daniel; Rob Hunden, Hunden Strategic Partners; and Casey Bolton, Commonwealth Economics

#### **Approval of Minutes**

Chairman Hale entertained a motion to approve the minutes from the February 7, 2019 (rescheduled) regular KEDFA board meeting and executive session.

Joe Kelly moved to approve the minutes, as presented; Chad Miller seconded the motion. Motion passed; unanimous.

#### **Approved/Undisbursed Report**

Chairman Hale called on Kylee Palmer to review the approved/undisbursed report. After review, the Authority accepted the report as presented.

#### **Financial Statements and Monitoring Reports**

Chairman Hale called on Bobby Aldridge to review the financial statements monitoring reports. After review, the Authority accepted the statements and reports as presented.

### **Kentucky Business Investment (KBI) Projects (Amendment)**

Chairman Hale called on Mr. Aldridge to present the KBI project amendment requests to the Authority.

#### **Appriss Inc.**

##### **Jefferson County**

Mr. Aldridge stated Appriss Inc. received final approval on January 30, 2014 for a KBI project to expand its Louisville business providing information services to federal, state and local law enforcement and other government agencies. The project activated January 30, 2016. As the business has continued to grow, the company has relocated to a larger leased facility at 9901 Linn Station Road, while maintaining an additional campus location at Nelson Miller Parkway. This amendment documents the change of the project site and recognizes the new lease. All other aspects of the project remain the same.

Staff recommended approval of the KBI amendment request.

Tucker Ballinger moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

#### **Phoenix Products, Inc.**

##### **Jackson County**

Mr. Aldridge stated Phoenix Products, Inc. requested an Amended and Restated Tax Incentive Agreement to reflect a co-employment relationship and use of a PEO (Professional Employer Organization) specifically, ADP TotalSource, Inc. retroactive to the activation date of June 25, 2017. All other aspects of the project remain the same.

Staff recommended approval of the KBI amendment request.

Mr. Ballinger moved to approve the staff recommendation, as presented; Don Goodin seconded the motion. Motion passed; unanimous.

### **Kentucky Rural Economic Development Act (KREDA) Project (Amendment)**

Chairman Hale called on Mr. Aldridge to present a KREDA project amendment request to the Authority.

#### **Phoenix Products, Inc.**

##### **Jackson County**

Mr. Aldridge stated Phoenix Products, Inc. requested approval of an Amended and Restated KREDA Tax Incentive Agreement to reflect a co-employment relationship and use of a PEO (Professional Employer Organization) specifically, ADP TotalSource, Inc. retroactive to October 10, 2011. All other aspects of the project remain the same.

Project discussion tabled for staff to research questions.

### **Kentucky Enterprise Initiative Act (KEIA) Projects (Extension)**

Chairman Hale called on Mr. Aldridge to present the KEIA project extension requests to the Authority.

Mr. Aldridge stated three companies requested additional time to complete the projects and asked that all three be presented as one motion.

<b>Company</b>	<b>County</b>	<b>Extension</b>
<b>Kobe Aluminum Automotive Products, LLC</b>	Warren	6 months
<b>Hansens Aluminum Extrusion LLC</b>	Henderson	12 months
<b>Vanderbilt Chemicals, LLC</b>	Calloway	12 months

Staff recommended approval of the KEIA extension requests.

Mr. Miller moved to approve the staff recommendation, as presented; Mr. Goodin seconded the motion. Motion passed; unanimous.

### **Kentucky Business Investment (KBI) Project (Modification)**

Chairman Hale called on Michelle Elder to present a KBI project modification request to the Authority.

#### **KMG Fabrication, Inc. Bullitt County**

Ms. Elder stated New Flyer of America Inc. received preliminary approval on November 16, 2017 for a project consisting of an approximate 300,000 sf manufacturing facility in Shepherdsville, Bullitt County, to manufacture parts for the transit bus and motor coach industries. The project was approved for \$8,500,000. Subsequent to this approval, New Flyer of America Inc. will enter into an Assignment and Assumption Agreement, selling, transferring and assigning all of its interests in its business to KMG Fabrication, Inc. to operate the new facility. All other aspects of the project remain the same. The modification of the preliminary approval will change New Flyer of America Inc. to KMG Fabrication, Inc. as the approved company.

Staff recommended approval of the KBI modification request.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Goodin seconded the motion. Motion passed; unanimous.

### **Kentucky Business Investment (KBI) Project (Preliminary) and KEIA Project**

Chairman Hale called on staff to present a KBI preliminary project and KEIA project to the Authority.

#### **Kentucky Industrial Hemp, LLC dba Ecofibre Kentucky Scott County**

**Andy Luttner  
Kate Greenwell**

Andy Luttner stated Kentucky Industrial Hemp, LLC dba Ecofibre Kentucky is an Australian company incorporated in 2009 that participates in the industrial hemp industry in Australia and the United States. The company is considering constructing a 40,000 sf facility to house new processing technology for Hemp Black, expand capacity for Ananda Hemp and establish a formal US headquarters.

Kate Greenwell stated the project investment is \$5,660,000 of which \$5,360,000 qualifies as KBI eligible costs and \$2,500,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 30 with an average hourly wage of \$30.00 including benefits. The state wage assessment participation is 3.0%, the City of Georgetown will participate at 0.5% and Scott County will participate at 0.5%. The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.



Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$250,000 and the KEIA approved recovery amount of \$50,000 for construction materials and building fixtures.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

### **KBI Projects (Preliminary)**

Chairman Hale called on staff to present the KBI preliminary projects to the Authority.

#### **GossHall Systems, LLC Hardin County**

**Corky Peek  
Michelle Elder**

Corky Peek stated GossHall Systems, LLC is a delivery service provider for one of the world's premier distribution companies, aiding in its home delivery service. The company is considering locating its headquarters for the Kentucky, Tennessee and Florida operations in Elizabethtown.

Ms. Elder stated the project investment is \$775,000 all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 20 with an average hourly wage of \$22.00 including benefits. The state wage assessment participation is 3.0% and the City of Elizabethtown will participate at 1.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$300,000.

Mr. Miller moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

#### **Goose Creek Candles, LLC L.L.C. Casey County**

**Annie Franklin  
Michelle Elder**

Annie Franklin stated Goose Creek Candles, LLC L.L.C. (Goose Creek) opened for business in 1998 as a candle manufacturer. The company is considering expanding its current business model to include the distribution of its product that is currently outsourced to a third party located in Tennessee. Goose Creek hopes to increase productivity, shipping times and customer relations by being in control of the distribution aspect of the business.

Ms. Elder stated that the project investment is \$1,820,000, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 60 with an average hourly wage of \$14.00 including benefits. The state wage assessment participation is 5.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$300,000.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

#### **Meyer Tool, Inc. Boone County**

**Annie Franklin  
Michelle Elder**

Ms. Franklin stated Meyer Tool, Inc. (Meyer Tool) supplies a variety of precision components to the aerospace and gas turbine engine industries. The company is recognized as a world leader in both electrical discharge machining and waterjet manufacturing processes. Meyer

Tool is considering expanding its footprint in the aerospace industry and is considering Kentucky for this project.

Ms. Elder stated the project investment is \$15,900,000 of which \$3,685,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 100 with an average hourly wage of \$35.00 including benefits. The state wage assessment participation is 3.0% and Boone County will participate at 0.8%. The company will be required to maintain 90% of the total countywide and statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,250,000.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

**C&C Industrial, LLC**  
**Montgomery County**

**Andy Luttner**  
**Debbie Phillips**

Mr. Luttner stated C&C Industrial, LLC specializes in industrial maintenance, food-grade and pharmaceutical-grade piping, boilers and hi-pressure systems and ammonia-refrigerant and glycol systems. The company also offers commercial services for HVAC, plumbing and electrical trades. The proposed project is to construct a new facility to meet its growing needs.

Debbie Phillips stated the project investment is \$3,830,000 of which all qualifies as KBI eligible costs. The highest job target over the term of the agreement is 15 with an average hourly wage of \$31.00 including benefits. The state wage assessment participation is 5.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$200,000.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

**Atalo Holdings, Inc.**  
**Clark County**

**Annie Franklin**  
**Kate Greenwell**

Ms. Franklin stated Atalo Holdings, Inc. opened in September 2014 as a vertically integrated industrial hemp company. The company is considering an additional hemp processing facility to include warehousing and processing space to support growth and product demand.

Ms. Greenwell stated the project investment is \$2,130,000 of which \$1,305,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 130 with an average hourly wage of \$27.30 including benefits. The state wage assessment participation is 3.0% and Clark County will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The project will include multiple locations within Winchester/Clark County. Only investment costs incurred at 5855 Rockwell Road will be considered toward calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$480,000.

Mr. Goodin moved to approve the staff recommendation, as presented; Ryan Barrow seconded the motion. Motion passed; unanimous.

**Fibonacci, LLC  
Calloway County**

**Andy Luttner  
Kate Greenwell**

Mr. Luttner stated Fibonacci, LLC will be a manufacturer of HempWood based on 13 years of experience, research and development stemming from the founders bamboo and Smartoak operations. Fibonacci, LLC is considering leasing an 11,230 sf building for its pilot plant facility to establish a world class, automated HempWood operation to support growth and market demand.

Ms. Greenwell stated the project investment is \$5,809,716 of which \$3,769,888 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 25 with an average hourly wage of \$20.00 including benefits. The state wage assessment participation is 3.0% and local participation will consist of \$500 per job created up to a maximum of \$12,500; local incentives will be awarded upon the creation of 25 permanent full-time jobs but no later than 2 years from the start of operations.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$300,000.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Goodin seconded the motion. Motion passed; unanimous.

**Tower Automotive Operations USA I, LLC  
Bullitt County**

**Annie Franklin  
Kate Greenwell**

Ms. Franklin stated Tower International is a leading integrated global manufacturer of engineered structural metal components and assemblies. Tower Automotive Operations USA I, LLC is a wholly-owned subsidiary of Tower International and supplies the automotive industry with body-structure stampings, frames and other complex welded assemblies for automobiles. The company has been awarded a new program to manufacture automotive structural components for sport utility vehicles and is considering expanding its facility in Shepherdsville to accommodate for the growth.

Ms. Greenwell stated the project investment is \$21,024,000 of which \$7,912,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 50 with an average hourly wage of \$22.00 including benefits. The state wage assessment participation is 3.0% and the City of Shepherdsville will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company will also be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$750,000.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

**LHC Group, Inc.  
Jefferson County**

**Andy Luttner  
Kate Greenwell**

Mr. Luttner stated LHC Group, Inc. was founded in 1994 in Louisiana and is the preferred in-home healthcare partner for 330 leading hospitals around the country. With the recent merger of LHC Group, Inc. and Kentucky based company Almost Family, Inc., the company is looking to establish its regional headquarters, emergency command center and call center in Louisville.

Ms. Greenwell stated the project investment is \$600,000 of which all qualifies as KBI eligible costs. The highest job target over the term of the agreement is 31 with an average hourly wage of \$19.50 including benefits. The state wage assessment participation is 1.5% and the Louisville/Jefferson County Metro Government will participate at 0.5%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval and a base payroll equal to the total amount of payroll paid to the full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$400,000.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

**KBI Projects (Extension)**

Chairman Hale called on Ms. Elder to present the KBI extension requests to the Authority.

Ms. Elder stated ten companies requested additional time to complete the projects and asked that all ten be presented as one motion.

<b>Company</b>	<b>County</b>	<b>Extension</b>
<b>More Than A Bakery, LLC</b>	Woodford	6 Month
<b>Bluegrass Stockyards, LLC</b>	Fayette	6 Month
<b>Ernst &amp; Young U.S. LLP</b>	Jefferson	6 Month
<b>Hafendorfer Machine, Inc.</b>	Jefferson	12 Month
<b>Inplast Industries USA, LLC dba Plastikon Industries</b> (Retroactive to September 30, 2018)	Grayson	12 Month
<b>Integrity Express Logistics, LLC</b>	Kenton	12 Month
<b>Shoemagoo LLC</b>	Jefferson	12 Month
<b>Mobile Marketing Solutions, Inc. dba</b> <b>Brewco Marketing Group</b>	Muhlenberg	12 Month
<b>PharmaCord LLC</b>	Jefferson	12 Month
<b>Whitworth Tool, Inc.</b>	Breckinridge	12 Month

Staff recommended approval of the KBI extension requests.

Mr. Miller moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

**KBI Project (Final)**

Chairman Hale called on Ms. Phillips to present a KBI project for final approval to the Authority.

**Cabaxis, Inc.****Daviess County****Manufacturing**

Ms. Phillips stated Cabaxis, Inc. requested KBI final approval. Since preliminary approval, the company name changed from CabKey, LLC to Cabaxis, Inc. All other aspects of the project remain the same.

Staff recommended approval of the KBI final resolution and tax incentive agreement and the authorization to execute and deliver the documents.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed, unanimous.

**Kentucky Small Business Tax Credit (KSBTC) Projects**

Chairman Hale called on Tim Back to present the KSBTC projects to the Authority.

Mr. Back stated there were eight Kentucky small businesses from seven counties with qualifying tax credits of \$103,000. The eight businesses created 32 jobs and invested \$148,944 in qualifying equipment and/or technology.

Mr. Back requested the following tax credits be presented as one motion:

<u>Qualified Small Business</u>	<u>County</u>	<u>Beg. Emp.</u>	<u>Elig. Pos.</u>	<u>Average Hourly Wage</u>	<u>Qualifying Equipment and/or Technology</u>	<u>Tax Credit</u>
AMC Manufacturing Co., L.L.C.	Jefferson	4	8	\$ 16.51	\$ 29,500	\$ 25,000
Cincy Gutter Boys LLC	Kenton	7	3	\$ 16.67	\$ 10,527	\$ 10,500
Industrial Park Distributors LLC	Boyle	6	1	\$ 11.83	\$ 8,985	\$ 3,500
Integrated Medical Solutions, LLC	Jefferson	14	8	\$ 18.83	\$ 31,551	\$ 25,000
Jason Tanner Design, LLC	Daviess	7	1	\$ 21.63	\$ 7,499	\$ 3,500
Lockshield Partners, Inc.	Barren	3	1	\$ 15.00	\$ 5,208	\$ 3,500
MedIQ Learning, LLC	Hardin	6	2	\$ 32.69	\$ 8,437	\$ 7,000
Russell Alzheimer's Investors, LLC	Greenup	0	8	\$ 23.51	\$ 47,237	\$ 25,000

Staff recommended approval of the tax credits.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

**KREDA Project (Amendment) continued**

Chairman Hale called on Katie Smith to provide responses to the questions asked previously during the meeting.

**Phoenix Products, Inc.****Jackson County**

Staff recommended approval of the KREDA amendment request.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Goodin seconded the motion. Motion passed; unanimous.

**Closed Session**

Pursuant to KRS Section 61.810 (1) (G), Chairman Hale entertained a motion to enter into executive session to discuss a specific business proposal, the open discussion of which would jeopardize the siting, retention, expansion or upgrade of the business.



Mr. Goodin moved to enter into executive session; Mr. Ballinger seconded the motion. Motion passed; unanimous.

The board entered into executive session at 10:37 a.m.

### **Regular Session**

Chairman Hale entertained a motion to return to regular session.

Mr. Barrow moved to return to regular session; Mr. Miller seconded the motion. Motion passed; unanimous.

The board returned to regular session 11:14 a.m.

### **Adjournment**

There being no further business, Chairman Hale entertained a motion to adjourn.

Mr. Miller moved to adjourn the February KEDFA board meeting; Mr. Ballinger seconded the motion. Motion passed; unanimous.

The meeting adjourned at 11:14 a.m.

**APPROVED  
PRESIDING OFFICER:**



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Jean R. Hale, Chairman



**KEDFA APPROVED AND NOT DISBURSED**

2/28/2019

**Approved and Undisbursed KEDFA Projects**

Applicant	Form #	County	Date Approved	Commitment Expires	Project Amount
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**KEDFA LOANS**

None

**KEDFA GRANTS**

Corbin Tri-County Joint Industrial Development Authority	22283	Knox	Oct-15	Oct-21	\$381,774
Louisville/Jefferson County Metro Government (Louisville Regional Airlift Development, Inc.)	21730	Jefferson	Jul-17	Dec-21	\$1,330,000
Louisville/Jefferson County Metro Government (Res-Care, Inc.)	21990	Jefferson	Jan-18	Dec-22	\$500,000

**SMALL BUSINESS LOANS**

None

**TOTAL APPROVED AND UNDISBURSED KEDFA PROJECT(S)****\$2,211,774****Approved and Partially Disbursed KEDFA Projects**

Applicant	Form #	County	Date Approved	Closing Date	Project Amount	Disbursed to Date	Remaining Balance
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**KEDFA GRANTS**

Louisville/Jefferson County Metro Government (Restaurant Supply Chain Solutions)	21636	Jefferson	May-17	Jun-20	\$500,000	(\$250,000)	\$250,000
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**TOTAL APPROVED AND PARTIALLY DISBURSED KEDFA PROJECT(S)****\$250,000****TOTAL KEDFA APPROVED AND NOT DISBURSED****\$2,461,774**





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**  
**CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE MONTH ENDING AND FISCAL YTD February 28, 2019**

	FUND A	BOND FUND	Small Bus Loan Pool	OOE FUND	FY 2018-2019 YEAR TO DATE	FY 2017-2018 YEAR TO DATE
<b>Operating Revenues - KEDFA</b>						
Interest Income/Loans	14,807.43	2,214.98	0.00	0.00	148,007.20	187,947.71
Interest Income/ Investments	2,499.73	26,421.99	632.31	0.00	225,683.46	88,807.05
Late Fees	0.00	0.00	0.00	0.00	0.00	0.00
Application Fees	19,545.00	0.00	0.00	0.00	285,090.05	279,328.75
Miscellaneous Income	498.15	0.00	0.00	0.00	3,417.22	1,820.41
<b>Total Operating Revenues - KEDFA</b>	<b>37,350.31</b>	<b>28,636.95</b>	<b>632.31</b>	<b>0.00</b>	<b>662,197.93</b>	<b>557,903.92</b>
<b>Operating Expenses - KEDFA</b>						
Salaries	89,212.33				734,574.55	730,274.13
Employee benefits	94,235.33				756,792.79	511,006.96
Pension Liability Adjustment	0.00				0.00	0.00
OPEB Liability Adjustment	0.00				0.00	0.00
Other Personnel Costs	0.00				0.00	0.00
Contracted Personal Services	9,235.73				112,550.98	94,234.30
Utilities and Heating Fuels	0.00				0.00	0.00
Rentals	0.00				0.00	0.00
Maintenance and Repairs	0.00				0.00	0.00
Postage and Related Services	1.50				10.71	9.82
Telecommunications	0.00				0.00	0.00
Computer Services	0.00				0.00	0.00
Supplies	0.00				0.00	0.00
Miscellaneous Services	0.00				32.00	16.00
Travel	106.40				3,170.76	1,832.92
Miscellaneous Commodities	0.00				335.00	199.00
Commodities Expense	0.00				0.00	0.00
Bad Debt Expense	0.00				0.00	0.00
Grant Disbursement	0.00				0.00	0.00
<b>Total Operating Expenses - KEDFA</b>	<b>192,791.29</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,607,466.77</b>	<b>1,337,573.73</b>
<b>Income (Loss) from Operations - KEDFA</b>	<b>(155,440.98)</b>	<b>28,636.95</b>	<b>632.31</b>	<b>0.00</b>	<b>(945,268.84)</b>	<b>(779,669.21)</b>
<b>Non-Operating Revenues (Expenses) - KEDFA</b>						
Operating Transfer Out - General Fund	0.00				0.00	0.00
Operating Transfer Out - BSSC					0.00	0.00
Operating Transfer Out - Secretary's Office					0.00	0.00
Operating Transfer Out - New Business	0.00				0.00	0.00
Transfer Due from Bonds					381,774.00	500,000.00
Transfer Due from KSBCI	0.00				0.00	0.00
Grants Disbursed	0.00				(134,808.79)	(892,025.69)
Operating Transfer In - Economic Dev	0.00				0.00	(213,012.09)
Unrealized Gains/(Losses) on Investment	0.00				0.00	0.00
Realized Gains/(Losses) on Investment	0.00				0.00	0.00
<b>Total Non-Operating Revenues (Expenses) -</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>246,965.21</b>	<b>(605,037.78)</b>
<b>CHANGE IN NET POSITION - KEDFA</b>	<b>(155,440.98)</b>	<b>28,636.95</b>	<b>632.31</b>	<b>0.00</b>	<b>(698,303.63)</b>	<b>(1,384,706.99)</b>
<b>Operating Revenues (Expenses) - OOE</b>						
Interest Income - Loans				0.00	0.00	86.90
Misc Income				0.00	0.00	0.00
Disbursements: Projects (Note 1)				0.00	(88,410.39)	(1,375,088.84)
Repayments received from Projects				0.00	0.00	94,953.60
<b>Non-Operating Revenues (Expenses) - OOE</b>						
Operating Transfer in - OOE					0.00	0.00
Transfer Due from Bonds					0.00	(23,244.49)
Operating Transfer Out - OOE					0.00	(55,089.60)
<b>CHANGE IN NET POSITION - OOE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(88,410.39)</b>	<b>(1,358,382.43)</b>
<b>CHANGE IN NET POSITION - COMBINED</b>	<b>(155,440.98)</b>	<b>28,636.95</b>	<b>632.31</b>	<b>0.00</b>	<b>(786,714.02)</b>	<b>(2,743,089.42)</b>

NOTE 1 Represents disbursements for projects from OOE Funds. (See OOE listings for detail of approved projects)

NOTE 2 Statement does not include interest income for OOE that is swept monthly to OOE's operating account

NOTE 3 The Small Business Loan Pool is presented separately only for internal tracking purposes.



# KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

## STATEMENT OF NET POSITION

2/28/2019

	FUND A	BOND FUND	Small Bus. Loan Pool	KEDFA 2/28/19	OOE 2/28/19	COMBINED 2/28/19
<b><u>ASSETS</u></b>						
<b>Cash &amp; Accounts Receivable</b>						
Operating Account	(41,909.14)	0.00	0.00	(41,909.14)	0.00	(41,909.14)
Cash	1,609,344.10	16,969,960.23	405,164.42	18,984,468.75	0.00	18,984,468.75
High Tech Construction Pool	0.00	0.00	0.00	0.00	137,500.00	137,500.00
High Tech Investment Pool	0.00	0.00	0.00	0.00	2,902,326.80	2,902,326.80
High Tech LGEDF Pool	0.00	0.00	0.00	0.00	4,043.88	4,043.88
Investment Account	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	0.00	0.00	0.00	0.00	0.00
Intergovernment Receivable	2,461,774.00	0.00	0.00	2,461,774.00	250,000.00	2,711,774.00
<b>Total Cash &amp; Accounts Receivable</b>	<b>4,029,208.96</b>	<b>16,969,960.23</b>	<b>405,164.42</b>	<b>21,404,333.61</b>	<b>3,293,870.68</b>	<b>24,698,204.29</b>
<b>Accrued Interest Receivable</b>						
Loans	36,183.41	1,731.91	0.00	37,915.32	0.00	37,915.32
Investments	2,499.73	26,421.99	632.31	29,554.03	0.00	29,554.03
<b>Total Accrued Interest Receivable</b>	<b>38,683.14</b>	<b>28,153.90</b>	<b>632.31</b>	<b>67,469.35</b>	<b>0.00</b>	<b>67,469.35</b>
<b>Notes Receivable</b>						
Loans Receivable	18,455,399.41	1,385,722.87	0.00	19,841,122.28	0.00	19,841,122.28
(Allowance for Doubtful Accounts)	0.00	0.00	0.00	(1,684,722.61)	0.00	(1,684,722.61)
<b>Total Notes Receivable</b>	<b>18,455,399.41</b>	<b>1,385,722.87</b>	<b>0.00</b>	<b>18,156,399.67</b>	<b>0.00</b>	<b>18,156,399.67</b>
<b>TOTAL ASSETS</b>	<b>22,523,291.51</b>	<b>18,383,837.00</b>	<b>405,796.73</b>	<b>39,628,202.63</b>	<b>3,293,870.68</b>	<b>42,922,073.31</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>						
Deferred Outflows Pension				1,730,000.00	0.00	1,730,000.00
Deferred Outflows OPEB				324,000.00	0.00	324,000.00
<b><u>LIABILITIES</u></b>						
Accrued Salaries & Compensated Absences				293,609.88	0.00	293,609.88
Accounts Payable				106.40	0.00	106.40
Intergovernment Payable				0.00		0.00
Grants Payable				0.00	0.00	0.00
Pension Liability				8,914,000.00	0.00	8,914,000.00
OPEB Liability				1,688,000.00	0.00	1,688,000.00
<b>TOTAL LIABILITIES</b>				<b>10,895,716.28</b>	<b>0.00</b>	<b>10,895,716.28</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>						
Deferred Inflows Pension				234,000.00	0.00	234,000.00
Deferred Inflows OPEB				36,000.00	0.00	36,000.00
<b><u>NET POSITION</u></b>						
Beginning Balance				31,214,789.98	3,382,281.07	34,597,071.05
Current Year Undivided Profits				(698,303.63)	(88,410.39)	(786,714.02)
<b>TOTAL NET POSITION</b>				<b>30,516,486.35</b>	<b>3,293,870.68</b>	<b>33,810,357.03</b>

NOTE 1 The Small Business Loan Pool is presented separately only for internal tracking purposes.

NOTE 2 The Office of Entrepreneurship (OOE) operating transactions are no longer under the direction of KEDFA and are not reflected above.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**  
**CASH POSITION STATEMENT**  
**2/28/2019**

	<b>2/28/2018</b>	<b>2/28/2019</b>
<b>Fund A Cash Balance</b>	\$2,651,968.24	\$1,609,344.10
Less: Approved/Undisbursed	0.00	
<b>Total Unobligated Balance</b>	<b>\$2,651,968.24</b>	<b>\$1,609,344.10</b>
<b>2003 Bond Fund Cash Balance</b>	\$14,954,465.07	\$16,969,960.23
Less: Approved/Undisbursed	(3,533,195.00)	(2,461,774.00)
<b>Total Unobligated Balance</b>	<b>\$11,421,270.07</b>	<b>\$14,508,186.23</b>
<b>Small Business Loan Fund Cash Balance</b>	\$398,940.66	\$405,164.42
Less: Approved/Undisbursed	0.00	
<b>Total Unobligated Balance</b>	<b>\$398,940.66</b>	<b>\$405,164.42</b>
<b>Bond Funds to be Provided for Loans</b>	\$0.00	
Less: Approved/Undisbursed	0.00	
<b>Total Unobligated Balance</b>	<b>\$0.00</b>	<b>\$0.00</b>
Budget: Cash to be Transferred to Other CED Programs for		<b>\$0.00</b>
<b>CASH AVAILABLE</b>	<b>\$14,472,178.97</b>	<b>\$16,522,694.75</b>
<b>OCI Fund Cash Balance</b>		
High Tech Construction Pool	\$137,500.00	\$137,500.00
Less: Approved/Undisbursed	\$0.00	\$0.00
High Tech Investment Pool	\$2,865,123.47	\$2,902,326.80
Less: Approved/Undisbursed	(\$518,034.00)	(\$654,624.00)
LGEDF Pool	\$4,043.88	\$4,043.88
Less: Approved/Undisbursed	\$0.00	\$0.00
Bond Funds to be Provided for Approved Projects	\$0.00	\$250,000.00
Bond Funds Available for Projects	\$0.00	
<b>Total Unobligated Balance</b>	<b>\$2,488,633.35</b>	<b>\$2,639,247</b>
<b>TOTAL ALL FUNDS</b>	<b>\$16,960,812.32</b>	<b>\$19,161,941.43</b>

**Kentucky Enterprise Initiative Act (KEIA) Projects  
Fiscal 2018**

KEDFA Meeting date 3/28/2019

Total Projects Approved Fiscal Year-to-Date 25

Number of Proposed Projects for Current Month 2

**Construction Materials and Building Fixtures**

Fiscal Year Cap \$20,000,000

Approved Fiscal Year-to-Date \$16,978,000

Committed Amount \$0

Balance Available for Current Month \$3,022,000

Proposed Approval for Current Month \$1,000,000

Balance Available for Remainder of Fiscal Year \$2,022,000

**Research & Development and Electronic Processing Equipment, Flight Simulation Equipment**

Fiscal Year Cap \$5,000,000

Approved Fiscal Year-to-Date \$375,000

Committed Amount \$0

Balance Available for Current Month \$4,625,000

Proposed Approval for Current Month \$100,000

Balance Available for Remainder of Fiscal Year \$4,525,000

# KBI Summary

Updated March 18, 2019

## Fiscal Year End Reporting

Year	Number of Projects	Jobs			Wages		
		Jobs Reported	Job Target	% Achieved	Average Wage Reported	Wage Target	% Achieved
2010	1	40	51	78%	\$11.42	\$11.00	104%
2011	5	269	257	105%	\$35.00	\$28.90	121%
2012	18	1,264	1,154	110%	\$25.30	\$23.23	109%
2013	58	5,908	5,395	110%	\$24.85	\$23.35	106%
2014	94	10,024	9,525	105%	\$24.85	\$22.98	108%
2015	141	14,572	13,103	111%	\$25.41	\$22.38	114%
2016	190	20,976	18,423	114%	\$24.91	\$21.64	115%
2017	219	24,508	20,640	119%	\$26.60	\$22.02	121%
2018	116	12,914	10,481	123%	\$24.74	\$20.65	120%

## Annual Maximums and Incentives Claimed

Year	Approved Annual Maximum	Earned Annual Maximum	Incentives Claimed*	Utilization Rate
2010-2012**	\$5,182,833	\$4,914,663	\$2,104,094	43%
2013	\$15,611,951	\$13,992,639	\$6,601,085	47%
2014	\$27,405,836	\$23,759,875	\$13,131,631	55%
2015	\$45,896,940	\$39,267,700	\$18,084,965	46%
2016	\$40,029,248	\$35,186,477	\$19,923,814	57%
2017	\$43,096,201	\$37,313,981	N/A	N/A
2018	\$45,453,618	\$39,219,881	N/A	N/A
Grand Total	\$222,676,626	\$193,655,215	\$59,845,588	31%

- The Commonwealth provided \$2,442 of incentives per new job reported based on total actual incentives claimed through 2016 and actual jobs reported in 2017.
- Based on actual jobs and wages reported in 2017 by companies approved to claim incentives, the estimated payroll for new, full-time Kentucky resident jobs is approximately \$1.4 billion. This equated to \$22.66 for every \$1 of claimed incentives.

**\*Notes on incentives claimed:** Data is based on information provided by the Kentucky Department of Revenue. Total incentives claimed represents the total of income tax credits and wage assessments claimed through December 31, 2017.

**\*\*Due to taxpayer confidentiality, years 2010-2012 were combined.**

## Project Update Report

PROJECT	COUNTY	APPROVAL DATE	EXIT DATE	PROGRAM
<u>Eagle Press America, Inc.</u> Explanation: Several attempts to contact the Company with no response. The project expired on February 28, 2019.	Simpson	02/25/2016	02/28/2019	KBI
<u>The Wood Mill, Inc.</u> Explanation: Per email dated 2/5/2019 the Company withdrew from the KBI Program stating the business had closed.	Union	02/25/2016	02/05/2019	KBI
<u>PuraCap Laboratories LLC</u> Explanation: Several attempts to contact the company with no response. The project expired on 2/28/2019.	Simpson	02/23/2017	02/28/2019	KBI
<u>Fooji, Inc.</u> Explanation: Company withdrew from the KBI Program per an email dated 2/25/2019.	Fayette	03/29/2018	02/25/2019	KBI

March 2019





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
HIGH-TECH POOL (HTP) PROJECT REPORT**

**Date:** March 28, 2019  
**Company:** Roth River, Inc.  
**City:** Louisville **County:** Jefferson  
**Activity:** Information Technology & Communications  
**New/Existing:** Existing  
**Bus. Dev. Contact:** Kristine McNiel **DFS Staff:** Kylee Palmer

**Project Description:** Roth River, Inc. (RR) is a Louisville, KY based technology company developing a tech solution to an age-old problem in the bourbon and spirits industry - accurately predicting yield. RR will do this by providing a comprehensive leading-edge technology solution that will collect, process, and analyze data utilizing on-barrel hardware devices and cloud-based machine learning.

Roth River, Inc. has a technology platform that starts with sensors attached to a barrel and tracks internal and external variables throughout the aging process. Those data points are sent to the cloud and analyzed using machine learning and visualized through dynamic reporting applications.

During the next 24 months, RR will be heavily focused on research and development activities in an effort to bring their solution to market. The company is requesting \$100,000 in funds to support and develop their technology. OOE funds will be used to purchase specialized equipment to develop the sensor form factor and communication technology.

Funding Source	Status	Use of Proceeds	Amount
Roth River, Inc.	Committed	Personnel & Operating Expenses	\$100,000
Office of Entrepreneurship	Requested	Equipment	\$100,000
<b>TOTAL</b>			<b>\$200,000</b>

**Existing, Full-time, Kentucky-Resident, High-Tech Jobs:** 1

\* Employee must be paid an annual salary of at least \$40,000 to be considered high-tech

**Job and Wage Requirement Table**

Compliance Date	Full-time, Kentucky-Resident, High-Tech Jobs Required	Job Type	Average Wage Required	Average Wage Type
12/31/2020	5	Total Retain & Create	\$20.00	Average Hourly Wage (excludes benefits)
12/31/2021	5	Total Retain & Create	\$20.00	Average Hourly Wage (excludes benefits)
12/31/2022	5	Total Retain & Create	\$20.00	Average Hourly Wage (excludes benefits)
12/31/2023	5	Total Retain & Create	\$20.00	Average Hourly Wage (excludes benefits)

**Collateral Required:** Personal guarantee and lien on equipment.

**Job Payback Provision:** \$5,000 per job not created or maintained based on a formula outlined in the agreement

**Wage Payback Provision:** Pro rata portion of grant based on a formula outlined in the agreement

**Other Terms:** At a minimum, a dollar-for-dollar match will be required.

**Disbursement:** Funds will be disbursed on a reimbursement basis after collateral is provided to the cabinet, the investment begins and matching funds are documented.  
Funds must be requested by January 31, 2022.

**Ownership (20% or more):** None  
Forest Giant LLC

**RECOMMENDED HIGH-TECH POOL FUNDING AMOUNT:**

**\$100,000**

Source of Funds: Bond Pool

Financing Type: Grant

**Recommendation:**

This project was recommended by the Executive Director, Office of Entrepreneurship



## **MEMORANDUM**

**TO:** KEDFA Board

**FROM:** Debbie Phillips *dp*  
Incentive Administration Division

**DATE:** March 28, 2019

**SUBJECT:** Revenue Bonds, Series 2019 (CommonSpirit Health) – \$135,000,000 –  
Inducement Resolution

Attached is a draft New Bond Issue Report related to KEDFA's proposed issuance of revenue bonds in an aggregate principal amount not to exceed \$135 million on behalf of CommonSpirit Health (formed through the alignment of the ministries of Catholic Health Initiatives and Dignity Health). The bond proceeds will be used to refinance all or a portion of a series of bonds issued by KEDFA in 2009 and/or acquisition finance all or a portion of projects financed and/or refinanced by a series of bonds issued by KEDFA in 2013, all for the prior benefit of Catholic Health Initiatives. The local jurisdictions that may be impacted by the project include Lexington, Bardstown, Mt. Sterling, London, and Nicholasville, Kentucky.

Please note that KEDFA's adoption of a final resolution will be contingent on the Cabinet's receipt of referral resolutions from the affected local jurisdictions requesting that KEDFA issue the bonds. Furthermore, a TEFRA hearing for the purpose of receiving public comment on the proposed bond issues will be conducted by staff prior to KEDFA's adoption of a final resolution. Final approval is expected to be sought at the May 2019 Board meeting.

If the financing is approved, KEDFA would serve as the conduit issuer of the bonds. The bonds would not constitute a general obligation of KEDFA and KEDFA would not be obligated to pay principal or interest for the bonds from its own funds.

Staff recommends KEDFA's adoption of the inducement bond resolution.



## KEDFA BOND INFORMATION FORM

**Name of Issue:** Kentucky Economic Development Authority Revenue Bonds  
CommonSpirit Health, Series 2019

**Name of project(s) covered by Issue:** CommonSpirit Health (the “Corporation”)

**Purpose of Issue:** (i) refinance all or a portion of the Authority’s Revenue Bonds (Catholic Health Initiatives) Series 2009A (the “**2009A Bonds**”), and/or acquisition finance all or a portion of projects financed and/or refinanced by the Authority’s Revenue Bonds (Catholic Health Initiatives) Series 2013A (the “**2013A Bonds**” and collectively with the 2009A Bonds, the “**Existing Bonds**”), (ii) pay costs of issuance, and (iii) fund a debt service reserve fund for the Bonds, if the Corporation determines it is necessary and desirable. The proceeds of the Existing Bonds were used to pay or reimburse certain affiliates of the Corporation (the “**System Affiliates**”) for, or refinance, the costs of acquisition, construction, renovation and installation of certain additions and improvements to and equipment at certain health care and health related facilities (collectively, the “**Health Care Facilities**”) owned and/or operated by certain System Affiliates and located in or near Lexington, Bardstown, Mt. Sterling, London, and Nicholasville (collectively, the “**Projects**”).

**Size:** Up to \$135,000,000

**Proposed date of Sale:** June 2019\*

**Proposed date of issue:** July 2019\*

**Maturity:** No more than 40 years from date of issuance

**Ratings:** CommonSpirit Health Obligated Group ratings are TBD  
 BBB+/Baa1/BBB+ (legacy Catholic Health Initiatives)  
 A/A3/A- (legacy Dignity Health)

**Security:** Revenue pledge from CommonSpirit Health Obligated Group

**Date authorization(s):** March 28, 2019 and May 30, 2019

Net Proceeds for Refinancing:	\$116,228,200*
Plus: Issuance Cost	\$2,324,564*
Plus: Debt Service Reserve Fund	\$11,622,820*

**GROSS PROCEEDS:** \$130,175,584\*

**Terms of issue:** TBD

**Net interest rate:** TBD

**Length of term:** Up to 40 years

\* Preliminary, subject to change

**Gross debt service amount:** TBD

**Average annual debt service:** TBD

**First call date:** TBD depending on  
structure and market  
conditions

**Premium at first call:** TBD

**Method of sale:** Negotiated

**Purchasers:** Retail and Institutional Investors

**Professional Services**

Pursuant to the provisions of KRS Chapter 47, the

Agency: CommonSpirit Health

Issue: CommonSpirit Health, Series 2019

is providing information on all costs associated, either directly or indirectly, with the issuance of revenue bonds or notes.

<u>Payee Name/Address*</u>	<u>Participation</u>	<u>Fees, commissions, or any other economic benefits received or anticipated to be received</u>
Kentucky Economic Development Finance Authority Old Capitol Annex 300 West Broadway Frankfort, KY 40601	Issuance Fee	Up to \$10,000
Counsel/Financial Advisors/Underwriters		TBD
Stoll Keenon Ogden PLLC	Issuer's Counsel Fee and Expenses	Up to \$40,000

- \* Payees listed shall include issuers, underwriters, placement agents and advisors, financial advisors, remarketing agents, credit enhancers, trustees, accountants, and the counsel of all such persons, bond counsel, special tax counsel, and any other persons receiving financing benefit from the issuance of revenue bonds or notes.

All costs of issuance paid from Bond proceeds.

Note: Changes or additions in amounts or names of payees or recipients shall be furnished to the Capital Projects and Bond Oversight Committee and the Interim Joint Committee on Appropriations and Revenue, and shall be made available to the public, within three (3) days following such change or addition.

**SOURCES AND USES (attach)**

Sources:           Bond Proceeds  
                       Total Sources

Debt Service:    (Attach)

Uses:             Capital Improvements and Equipment  
                       Legal, Accounting, Printing, Underwriter's  
                       Discount and Incidental Expenses  
                       Total Uses

**FOR REFUNDING ONLY**

**Bond issue being refinanced:**    The Authority's Revenue Bonds (Catholic Health Initiatives) Series 2009A (the "2009A Bonds")

The Authority's Revenue Bonds (Catholic Health Initiatives) Series 2013A (the "2013A Bonds")

**Amount of principal:**   \$150,000,000                      **Amount to be refunded:**   Up to \$99,490,000\*

**Terms of existing bond issue:**    2009A Bonds final maturity: 2029  
   2013A Bonds final maturity: 2045

**Net interest rate:**           To be determined based upon structure and market conditions    **Length of term:**           Up to 40 years

**First call date:**            TBD depending on structure and market conditions    **Call at par**                TBD

**Average annual debt service**       TBD

**REFUNDING ACTIVITY**

Funds to apply to refunding:                      \$116,228,200\*

Proceeds from New Bonds   \$116,228,200\*

Released Debt Service Reserve   \$0

Total Available to Pay Old Bond Issue   \$116,228,200\*

**SAVINGS RESULTING FROM REFINANCING**

Average annual debt service savings:       TBD

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\* Preliminary, subject to change

Number of years savings will accrue: TBD

Total present value savings: TBD



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
ECONOMIC DEVELOPMENT BOND (EDB) PROJECT REPORT**

**Date:** March 28, 2019  
**Grantee:** Todd County Fiscal Court  
**Beneficiary:** Novelis Corporation  
**City:** Guthrie **County:** Todd  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** L. Witt **OFS Staff:** M. Elder

**Project Description:** Novelis is the global leader in aluminum rolled products and the world's largest recycler of aluminum. Novelis is considering locating a manufacturing operation in Guthrie, KY to meet market demands from the automotive markets. The proposed project anticipates the creation of at least 125 new, full-time jobs (including non-Kentucky residents).

**Anticipated Project Investment - Owned**

Land  
 Building/Improvements  
 Equipment  
 Other Start-up Costs  
**TOTAL**

Total Investment
\$0
\$113,968,998
\$185,381,508
\$5,500,248
<b>\$304,850,754</b>

**Anticipated Project Funding**

Economic Development Bond Grant (State)  
 Bank Loan  
 Local Grant  
 Company Equity  
 Other  
**TOTAL**

Amount	% of Total
\$750,000	0.2%
	0.0%
	0.0%
\$304,100,754	99.8%
	0.0%
<b>\$304,850,754</b>	<b>100.0%</b>

**Job and Wage Requirement Table**

Compliance Date	Full-time, Kentucky- Resident Jobs Required	Job Type	Average Wage Required	Average Wage Type
December 31, 2022	100	Create	\$38.50	Total Hourly Compensation (includes benefits)
December 31, 2023	100	Create	\$38.50	Total Hourly Compensation (includes benefits)
December 31, 2024	100	Create	\$38.50	Total Hourly Compensation (includes benefits)
December 31, 2025	100	Create	\$38.50	Total Hourly Compensation (includes benefits)
December 31, 2026	100	Create	\$38.50	Total Hourly Compensation (includes benefits)

\* Compliance periods will be annually and first compliance period may be accelerated. Subsequent compliance periods will be adjusted if acceleration occurs.

**Collateral Required:** Letter of credit, certificate of deposit or other collateral satisfactory to the Cabinet

**Job Penalty Provision:** \$1,500 per job not created or maintained

**Wage Penalty Provision:** Pro rata portion of EDB grant based on a formula outlined in the EDB grant agreement

**Repayment:** Repayment provisions will be included in the grant agreement if the company fails to create or maintain the jobs and pay the required wage by the required measurement dates. Any repaid funds will be due and payable to the Grantee/local government and may only be used by the Grantee/local government for economic development projects authorized by the Cabinet.



**Disbursement:** Grant funds will be disbursed on a reimbursement basis through the Grantee/local government entity after collateral is received by the Cabinet and the investment begins. Funds will flow through the Grantee/local government entity to the Beneficiary/company.

**RECOMMENDED ECONOMIC DEVELOPMENT BOND AMOUNT:**

**\$750,000**

**Ownership (20% or more):**

Novelis Corporation Atlanta, GA

**Active State Participation at the Project Site:**

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Jan 23, 2018	KBI	Approve/Prelim	\$8,500,000
Jan 23, 2018	KEIA	Approve/Final	\$3,000,000

**Unemployment Rate:**

County: 3.1%

Kentucky: 3.8%


**Recommendation:**

Staff recommends approval of this EDB grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this EDB grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the EDB funds for this project.



## **MEMORANDUM**

**TO:** KEDFA Board Members

**FROM:** Robert Aldridge, Director   
Compliance Division

**DATE:** March 28, 2018

**SUBJECT:** KBI Amendment  
Copper & Kings Brandy Company (Jefferson)  
Project #19424

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On March 28, 2018 Copper & Kings Brandy Company amended the project due to its merger with Cados, LLC. The terms of the amended agreement inadvertently omitted the inclusion of the Company's payroll and employees which is managed through a co-employment relationship with PEO Services, L.P., a Professional Employer Organization. This Second Amended and Restated Agreement rectifies the omission.

All other aspects of the project remain the same.

Staff recommends approval.



## **MEMORANDUM**

**TO:** KEDFA Board Members  
**FROM:** Robert Aldridge, Director  
Compliance Division  
**DATE:** March 28, 2019  
**SUBJECT:** KEIA Extensions



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The following companies have requested additional time to complete their projects:

<b>Company</b>	<b>County</b>	<b>Extension</b>
DCL Fulfillment, Inc. dba DCL Logistics	Jefferson	3 months
FedEx Ground Package System, Inc.	Boone	3 months
Heaven Hill Distilleries, Inc.	Jefferson	6 months
MobileMedTek Holdings, Inc.	Jefferson	12 months
Stelised, Inc.	Shelby	12 Months
Toyota Tsusho America, Inc.	Scott	12 Months
Whiskey Service LLC	Boyle	12 Months

Staff recommends approval.





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** March 28, 2019  
**Approved Company:** HB Sealing Products Inc.  
**City:** Louisville  
**Activity:** Service & Technology  
**Bus. Dev. Contact:** L. Ransdell

**County:** Jefferson  
**Resolution #:** KEIA-19-22494  
**DFS Staff:** D. Phillips

**Project Description:** HB Sealing Products Inc. is considering a new fulfillment center to locate in Louisville. This location will use advanced automation in product delivery and the installation of sealing lines to meet customer demand.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment**

Land  
Building Construction  
Electronic Processing Equipment  
Research & Development Equipment  
Flight Simulation Equipment  
Other Equipment  
Other Start-up Costs  
**TOTAL**

Eligible Costs	Total Investment
\$0	\$0
\$92,950	\$185,900
\$4,606,670	\$4,606,670
\$0	\$0
\$0	\$0
\$0	\$3,458,330
\$0	\$0
<b>\$4,699,620</b>	<b>\$8,250,900</b>

**Ownership (20% or more):**

Diploma Holdings Inc. - Clearwater, FL

**Other State Participation:**

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Dec 13, 2018	KBI	Approve-Prelim	\$1,200,000

**Unemployment Rate:**

County: 3.6%

Kentucky: 4.5%

**Existing Presence in Kentucky:**

Jefferson County

**Approved Recovery Amount:**

R&D and/or Electronic Processing Equipment: \$100,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$100,000**





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY****KBI REPORT - PRELIMINARY APPROVAL**

**Date:** March 28, 2019  
**Approved Company:** PACCAR Inc.  
**City:** Louisville **County:** Jefferson  
**Activity:** Service & Technology **Prelim Resolution #:** KBI-I-19-22473  
**Bus. Dev. Contact:** L. Witt **DFS Staff:** M. Elder

**Project Description:** PACCAR is a global technology leader in the design, manufacture and customer support of heavy, medium and light-duty trucks under the Kenworth, Peterbilt and DAF nameplates. PACCAR also designs and manufactures advanced diesel engines, provides financial services, information technology and distributes truck parts related to its principal business. The company is considering Louisville for its new distribution center.

**Facility Details:** Locating in a new facility

**Anticipated Project Investment - Owned**

	<b>Eligible Costs</b>	<b>Total Investment</b>
Land	\$3,200,000	\$3,200,000
Building/Improvements	\$36,082,500	\$36,082,500
Equipment	\$920,000	\$11,300,000
Other Start-up Costs	\$1,650,000	\$1,650,000
<b>TOTAL</b>	<b>\$41,852,500</b>	<b>\$52,232,500</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

<b>Year</b>	<b>Job Target</b>	<b>Average Hourly Wage Target (Including Employee Benefits)</b>	<b>Annual Approved Cost Limitation</b>
As of Activation Date	46	\$23.50	
1	46	\$23.50	\$50,000
2	80	\$23.50	\$50,000
3	80	\$23.50	\$50,000
4	80	\$23.50	\$50,000
5	80	\$23.50	\$50,000
6	80	\$23.50	\$50,000
7	80	\$23.50	\$50,000
8	80	\$23.50	\$50,000
9	80	\$23.50	\$50,000
10	80	\$23.50	\$50,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$500,000**

**County Type:**  
Other

**Statutory Minimum Wage Requirements:**  
Base hourly wage: \$10.88  
Total hourly compensation: \$12.51

**Ownership (20% or more):**  
Publicly Traded

**Active State Participation at the project site:** None

**Requested Wage Assessment / Local Participation:**  
State: 1.5%  
Local: .5% Louisville- Jefferson County Metro Government

**Unemployment Rate:**  
County: 3.6% Kentucky: 4.5%

**Existing Presence in Kentucky:** None

**Special Conditions:** None



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** March 28, 2019  
**Approved Company:** PACCAR Inc.  
**City:** Louisville  
**Activity:** Service & Technology  
**Bus. Dev. Contact:** L. Witt

**County:** Jefferson  
**Resolution #:** KEIA-19-22474  
**DFS Staff:** M. Elder

**Project Description:** PACCAR is a global technology leader in the design, manufacture and customer support of heavy, medium and light-duty trucks under the Kenworth, Peterbilt and DAF nameplates. PACCAR also designs and manufactures advanced diesel engines, provides financial services, information technology and distributes truck parts related to its principal business. The company is considering Louisville for its new distribution center.

**Facility Details:** Locating in a new facility

**Anticipated Project Investment**

Land  
Building Construction  
Electronic Processing Equipment  
Research & Development Equipment  
Flight Simulation Equipment  
Other Equipment  
Other Start-up Costs  
**TOTAL**

Eligible Costs	Total Investment
\$0	\$3,200,000
\$21,649,500	\$36,082,500
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$11,300,000
\$0	\$1,650,000
<b>\$21,649,500</b>	<b>\$52,232,500</b>

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$1,000,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$1,000,000**

See KBI file (KBI-I-19-22473) for Ownership, Other State Participation and Unemployment Rate.





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY****KBI REPORT - PRELIMINARY APPROVAL**

**Date:** March 28, 2019  
**Approved Company:** Graf Wood Products, Inc. dba Graf & Thomas Lumber, LLC  
**City:** Vanceburg **County:** Lewis  
**Activity:** Service & Technology **Prelim Resolution #:** KBI-I-19-22500  
**Bus. Dev. Contact:** A. Franklin **DFS Staff:** M. Elder

**Project Description:** Graf & Thomas Lumber, LLC, formed in 2017, primarily operates as a purchaser and exporter of Appalachian hardwoods to China and other Asian countries. The company also has contracts with other local lumber mills to produce sawed wood products. Graf Wood Products, Inc. dba Graf & Thomas Lumber, LLC is considering purchasing an existing site which consists of land, existing buildings, and equipment. In addition to the existing buildings the company is also considering constructing a new building and will equip it with new and refurbished equipment.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Owned**

Land  
Building/Improvements  
Equipment  
Other Start-up Costs  
**TOTAL**

Eligible Costs	Total Investment
\$350,000	\$350,000
\$170,000	\$170,000
\$105,000	\$105,000
\$15,000	\$15,000
<b>\$640,000</b>	<b>\$640,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	12	\$13.45	
1	12	\$13.45	\$30,000
2	12	\$13.45	\$30,000
3	12	\$13.45	\$30,000
4	12	\$13.45	\$30,000
5	12	\$13.45	\$30,000
6	12	\$13.45	\$30,000
7			
8			
9			
10			
11			
12			
13			
14			
15			

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$180,000**



**County Type:**  
Enhanced

**Statutory Minimum Wage Requirements:**  
Base hourly wage: \$9.06  
Total hourly compensation: \$10.42

**Ownership (20% or more):**

Steven Thomas Vanceburg, KY  
Damon Graf Portsmouth, OH

**Active State Participation at the project site:** None

**Requested Wage Assessment / Local Participation:**

State: 5.0%

**Unemployment Rate:**

County: 7.3%

Kentucky: 4.5%

**Existing Presence in Kentucky:**

Carter and Lewis Counties

**Special Conditions:**

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 9 full-time, Kentucky resident employees as of the application date.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY****KBI REPORT - PRELIMINARY APPROVAL**

**Date:** March 28, 2019  
**Approved Company:** LSI Kentucky LLC  
**City:** Independence **County:** Kenton  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-I-19-22501  
**Bus. Dev. Contact:** A. Franklin **DFS Staff:** D. Phillips

**Project Description:** LSI Kentucky LLC manufactures lighting, graphics, and board systems for gas stations, convenience stores, fast food restaurants, car dealerships, retail chain stores and other businesses. The project would include upgrades to its existing facility and the purchase of new equipment.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Owned**

Land

Building/Improvements

Equipment

Other Start-up Costs

**TOTAL**

Eligible Costs	Total Investment
\$0	\$0
\$322,270	\$322,270
\$195,952	\$195,952
\$55,000	\$55,000
<b>\$573,222</b>	<b>\$573,222</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	22	\$20.28	
1	22	\$20.28	\$11,000
2	22	\$20.28	\$11,000
3	22	\$20.28	\$11,000
4	22	\$20.28	\$11,000
5	22	\$20.28	\$11,000
6	22	\$20.28	\$11,000
7	22	\$20.28	\$11,000
8	22	\$20.28	\$11,000
9	22	\$20.28	\$11,000
10	22	\$20.28	\$11,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:****\$110,000**

**County Type:**  
Other

**Statutory Minimum Wage Requirements:**  
Base hourly wage: \$10.88  
Total hourly compensation: \$12.51

**Ownership (20% or more):**  
LSI Industries Inc. - Cincinnati, OH

**Active State Participation at the project site:** None

**Requested Wage Assessment / Local Participation:**  
State: 1.5%  
Local: .5% - City of Independence

**Unemployment Rate:**  
County: 3.0% Kentucky: 4.5%

**Existing Presence in Kentucky:**  
Kenton County

**Special Conditions:**

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 53 full-time, Kentucky resident employees as of the application date.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY****KBI REPORT - PRELIMINARY APPROVAL**

**Date:** March 28, 2019  
**Approved Company:** Armor USA Inc.  
**City:** Hebron **County:** Boone  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-IL-19-22493  
**Bus. Dev. Contact:** A. Luttner **DFS Staff:** D. Phillips

**Project Description:** Armor USA Inc. is a worldwide leader in thermal transfer printing ribbons used for printing barcodes, logos, used-by-dates and other variable information onto labels or directly onto flexible packaging. The company is considering an expansion of its current facility in Hebron to increase production capacity, improve product offerings and expand its logistics services to meet growing demands.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Leased**

	<b>Eligible Costs</b>	<b>Total Investment</b>
Rent	\$927,303	\$1,854,605
Building/Improvements	\$1,211,732	\$1,211,732
Equipment	\$0	\$0
Other Start-up Costs	\$235,000	\$235,000
<b>TOTAL</b>	<b>\$2,374,035</b>	<b>\$3,301,337</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

<b>Year</b>	<b>Job Target</b>	<b>Average Hourly Wage Target (Including Employee Benefits)</b>	<b>Annual Approved Cost Limitation</b>
As of Activation Date	10	\$25.20	
1	13	\$25.20	\$25,000
2	16	\$25.20	\$25,000
3	19	\$25.20	\$25,000
4	22	\$25.20	\$25,000
5	25	\$25.20	\$25,000
6	28	\$25.20	\$25,000
7	30	\$25.20	\$25,000
8	36	\$25.20	\$25,000
9	36	\$25.20	\$25,000
10	36	\$25.20	\$25,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$250,000**

**County Type:**  
Other

**Statutory Minimum Wage Requirements:**  
Base hourly wage: \$10.88  
Total hourly compensation: \$12.51

**Ownership (20% or more):**  
Armor SAS - Nantes, France

**Active State Participation at the project site:** None

**Requested Wage Assessment / Local Participation:**  
State: 1.5%  
Local: .4% - Boone County

**Unemployment Rate:**  
County: 3.0% Kentucky: 4.5%

**Existing Presence in Kentucky:**  
Boone County

**Special Conditions:**

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 58 full-time, Kentucky resident employees as of the application date.





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY****KBI REPORT - PRELIMINARY APPROVAL**

**Date:** March 28, 2019  
**Approved Company:** Best Sanitizers, Inc.  
**City:** Walton  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** A. Luttner

**County:** Boone  
**Prelim Resolution #:** KBI-I-19-22497  
**DFS Staff:** D. Phillips

**Project Description:** Best Sanitizers, Inc. manufactures and distributes alcohol based food grade hand and surface sanitizers, high level disinfectants and various types of hand soaps and industrial cleaning products for a variety of industries including hospitals, laboratories and food processing manufacturing plants. The project would include the acquisition of a second location to expand production capabilities, product lines and consolidate its outsourced production.

**Facility Details:** Locating in a new facility

**Anticipated Project Investment - Owned**

Land  
Building/Improvements  
Equipment  
Other Start-up Costs  
**TOTAL**

Eligible Costs	Total Investment
\$270,000	\$270,000
\$2,355,000	\$2,355,000
\$400,000	\$2,581,602
\$120,000	\$120,000
<b>\$3,145,000</b>	<b>\$5,326,602</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$19.44	
1	28	\$19.44	\$25,000
2	28	\$19.44	\$25,000
3	32	\$19.44	\$25,000
4	32	\$19.44	\$25,000
5	32	\$19.44	\$25,000
6	36	\$19.44	\$25,000
7	36	\$19.44	\$25,000
8	36	\$19.44	\$25,000
9	36	\$19.44	\$25,000
10	36	\$19.44	\$25,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$250,000**

**County Type:**  
Other

**Statutory Minimum Wage Requirements:**  
Base hourly wage: \$10.88  
Total hourly compensation: \$12.51

**Ownership (20% or more):**  
Saraya Company Ltd. - Osaka, Japan

**Active State Participation at the project site:**

<u>Date</u>	<u>Program</u>	<u>Status / Jobs Required</u>	<u>Amount</u>
Dec 07, 2017	KBI	Monitor/51	\$175,000

**Requested Wage Assessment / Local Participation:**

State: 1.5%  
Local: .4% - Boone County

**Unemployment Rate:**

County: 3.0%  
Kentucky: 4.5%

**Existing Presence in Kentucky:**

Boone County

**Special Conditions:**

The company will be required to maintain a base employment equal to the greater of the number of full-time, Kentucky resident employees as of the date of preliminary approval or 51 (base employment number required by previous project) full-time, Kentucky resident employees.

The project will include multiple locations within City of Walton, Boone County. Only investment costs incurred at 115 Bessmer Lane will be considered towards calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY****KBI REPORT - PRELIMINARY APPROVAL**

**Date:** March 28, 2019  
**Approved Company:** Cans Unlimited, Inc.  
**City:** Mt. Sterling **County:** Montgomery  
**Activity:** Service & Technology **Prelim Resolution #:** KBI-IL-19-22498  
**Bus. Dev. Contact:** A. Luttner **DFS Staff:** D. Phillips

**Project Description:** Cans Unlimited, Inc. (CUI) is a distributor of a variety of heating products from leading manufacturers. The company sells hearths, grills, outdoor room and gas equipment products. CUI has outgrown its current facility and is considering a new location in Mt. Sterling.

**Facility Details:** Locating in a new facility

**Anticipated Project Investment - Leased**

Rent  
Building/Improvements  
Equipment  
Other Start-up Costs  
**TOTAL**

Eligible Costs	Total Investment
\$712,500	\$1,425,000
\$0	\$0
\$675,500	\$675,500
\$33,500	\$33,500
<b>\$1,421,500</b>	<b>\$2,134,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$22.80	
1	10	\$22.80	\$40,000
2	11	\$22.80	\$40,000
3	11	\$22.80	\$40,000
4	13	\$22.80	\$40,000
5	15	\$22.80	\$40,000
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$200,000**

**County Type:**

Enhanced

**Statutory Minimum Wage Requirements:**

Base hourly wage: \$9.06

Total hourly compensation: \$10.42

**Ownership (20% or more):**

Scott A. Groves - Greenville, SC

**Active State Participation at the project site:** None**Requested Wage Assessment / Local Participation:**

State: 5.0%

**Unemployment Rate:**

County: 5.1%

Kentucky: 4.5%

**Existing Presence in Kentucky:**

Montgomery County

**Special Conditions:**

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 11 full-time, Kentucky resident employees as of the application date.







**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY****KBI REPORT - PRELIMINARY APPROVAL**

**Date:** March 28, 2019  
**Approved Company:** Piston Automotive LLC  
**City:** Louisville **County:** Jefferson  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-IL-19-22475  
**Bus. Dev. Contact:** A. Luttner **DFS Staff:** D. Phillips  
**Project Description:** Piston Automotive LLC, a world-class assembly supplier for America's top manufacturers, opened its Louisville based operations in 2011. The company is considering adding a new production line and increasing its assembly operation to support new market demand.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Leased**

	<b>Eligible Costs</b>	<b>Total Investment</b>
Rent	\$0	\$0
Building/Improvements	\$0	\$0
Equipment	\$1,000,000	\$1,500,000
Other Start-up Costs	\$0	\$0
<b>TOTAL</b>	<b>\$1,000,000</b>	<b>\$1,500,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

<b>Year</b>	<b>Job Target</b>	<b>Average Hourly Wage Target (Including Employee Benefits)</b>	<b>Annual Approved Cost Limitation</b>
As of Activation Date	50	\$22.06	
1	50	\$22.06	\$70,000
2	50	\$22.06	\$70,000
3	50	\$22.06	\$70,000
4	50	\$22.06	\$70,000
5	50	\$22.06	\$70,000
6	50	\$22.06	\$70,000
7	50	\$22.06	\$70,000
8	50	\$22.06	\$70,000
9	50	\$22.06	\$70,000
10	50	\$22.06	\$70,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$700,000**

**County Type:**  
Other

Other

**Statutory Minimum Wage Requirements:**

**Base hourly wage: \$10.88**

**Total hourly compensation: \$12.51**

**Ownership (20% or more):**

**Vincent Johnson - Bloomfield Hills, MI**

**Active State Participation at the project site:**

<u>Date</u>	<u>Program</u>	<u>Status / Jobs Required</u>	<u>Amount</u>
Jan 26, 2012	KBI	Monitor/51	\$1,000,000

**Requested Wage Assessment / Local Participation:**

**State: 1.5%**

Local: .222% - City of Jeffersontown

**.278% - Louisville/Jefferson County Metro Government**

**Unemployment Rate:**

County: 3.6%

Kentucky: 4.5%

### Existing Presence in Kentucky:

## Jefferson and Scott Counties


**Special Conditions:**

The company will be required to maintain a base employment equal to the greater of the number of full-time, Kentucky resident employees as of the date of preliminary approval or 51 (base employment number required by previous project) full-time, Kentucky resident employees.

The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.



## **MEMORANDUM**

**TO:** KEDFA Board Members  
**FROM:** Michelle Elder   
Incentive Administration Division  
**DATE:** March 28, 2019  
**SUBJECT:** KBI Extensions

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The following companies have previously received KBI preliminary approval and are requesting approval of a time extension:

<b>Company</b>	<b>County</b>	<b>Extension</b>
Catalent Pharma Solutions, LLC	Clark	6 Month
Rajant Corporation	Rowan	6 Month
Toyotetsu America, Inc.	Pulaski	6 Month
AquiSense Technologies LLC	Boone	12 Month
Kentucky Fresh Harvest, LLC	Lincoln	12 Month

Staff recommends approval.

Extension Chart - KBI Prelim

**Generated By:**

Michelle Elder

Kentucky Cabinet for Economic Development

3/4/2019 3:19 PM

Program: Program Name	FI County	Location Type	New Jobs Projected	Preliminary Approval Date	Prelim Incentive Amount	Prelim Total Estimated Costs
AquiSense Technologies LLC	Boone	Existing	45	3/31/2016	\$500,000.00	\$2,145,000.00
Catalent Pharma Solutions, LLC	Clark	Existing	300	3/26/2015	\$4,500,000.00	\$61,760,250.00
Kentucky Fresh Harvest, LLC	Lincoln	New	75	3/31/2016	\$1,500,000.00	\$10,710,000.00
Toyotetsu America, Inc.	Pulaski	Existing	100	3/31/2016	\$2,000,000.00	\$62,955,000.00
Rajant Corporation	Rowan	New	28	3/26/2015	\$300,000.00	\$762,151.00
<b>Grand Totals (5 records)</b>						

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**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KBI REPORT - FINAL APPROVAL**

**Date:** March 28, 2019  
**Preliminary Approval:** February 25, 2016  
**Approved Company:** Blue Grass Stockyards, LLC  
**Approved Affiliate(s):** Market Management Services, LLC  
**City:** Lexington **County:** Fayette  
**Activity:** Service & Technology **Final Resolution #:** KBI-F-19-20949  
**Bus. Dev. Contact:** T. Sears **DFS Staff:** D. Phillips

**Project Description:** Blue Grass Stockyards, LLC has been in business since 1946 and is considered the largest stockyard east of the Mississippi River. Due to a fire, the company constructed a new facility in Lexington.

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$11,900,000	\$11,900,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$20.00	
1	20	\$20.00	\$30,000
2	20	\$20.00	\$30,000
3	20	\$20.00	\$30,000
4	20	\$20.00	\$30,000
5	20	\$20.00	\$30,000
6	20	\$20.00	\$30,000
7	20	\$20.00	\$30,000
8	20	\$20.00	\$30,000
9	20	\$20.00	\$30,000
10	20	\$20.00	\$30,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$300,000**

**County Type:**  
Other

**Statutory Minimum Wage Requirements:**

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

**Special Conditions:**

Maintain Base Employment: 6

**Modifications since preliminary approval?** No





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KBI REPORT - FINAL APPROVAL**

**Date:** March 28, 2019  
**Preliminary Approval:** March 31, 2016  
**Approved Company:** Lighthouse Transportation Services, LLC  
**City:** Covington **County:** Kenton  
**Activity:** Service & Technology **Final Resolution #:** KBI-F-19-20956  
**Bus. Dev. Contact:** L. Ransdell **DFS Staff:** D. Phillips

**Project Description:** Lighthouse Transportation Services, LLC is a third party logistics company providing transportation solutions. The project included the relocation and renovation of a larger facility and the purchase of equipment to meet growing demands.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$370,000	\$370,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$25.00	
1	10	\$25.00	\$15,000
2	10	\$25.00	\$15,000
3	10	\$25.00	\$15,000
4	10	\$25.00	\$15,000
5	10	\$25.00	\$15,000
6	10	\$25.00	\$15,000
7	10	\$25.00	\$15,000
8	10	\$25.00	\$15,000
9	10	\$25.00	\$15,000
10	10	\$25.00	\$15,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$150,000**

**County Type:**  
Other

**Statutory Minimum Wage Requirements:**

Base hourly wage: \$10.88  
Total hourly compensation: \$12.51

**Special Conditions:**

Maintain Base Employment: 7

**Modifications since preliminary approval?** No





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KBI REPORT - FINAL APPROVAL**

**Date:** March 28, 2019  
**Preliminary Approval:** March 26, 2015  
**Approved Company:** Logan Aluminum Inc.  
**City:** Russellville  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** C. Peek

**County:** Logan  
**Final Resolution #:** KBI-F-19-20227  
**DFS Staff:** D. Phillips

**Project Description:** Logan Aluminum Inc. is a manufacturer of flat-rolled aluminum sheets. The project included an expansion of its manufacturing facility in Logan County to produce flat-rolled aluminum sheets for interior and exterior automobile panels.

	Eligible Costs	Total Investment
Anticipated Project Investment - Owned	\$73,985,000	\$282,625,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	188	\$50.00	
1	188	\$50.00	\$500,000
2	188	\$50.00	\$500,000
3	188	\$50.00	\$525,000
4	188	\$50.00	\$525,000
5	188	\$50.00	\$525,000
6	188	\$50.00	\$525,000
7	188	\$50.00	\$525,000
8	188	\$50.00	\$525,000
9	188	\$50.00	\$525,000
10	188	\$50.00	\$525,000
<b>TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:</b>			<b>\$5,200,000</b>

**County Type:**  
Other

**Statutory Minimum Wage Requirements:**  
Base hourly wage: \$10.88  
Total hourly compensation: \$12.51

**Special Conditions:**  
Maintain Base Employment: 1,027

**Modifications since preliminary approval?** No





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KBI REPORT - FINAL APPROVAL**

**Date:** March 28, 2019  
**Preliminary Approval:** April 28, 2016  
**Approved Company:** Steel Ventures Incorporated  
**City:** Wurtland  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** A. Luttner

**County:** Greenup  
**Final Resolution #:** KBI-F-19-21001  
**DFS Staff:** D. Phillips

**Project Description:** Steel Ventures Incorporated is a subsidiary of Steel of West Virginia and the manufacturer of galvanized products. The project included the construction of a galvanizing operation in Wurtland to help meet growing demands for products, improve delivery time, eliminate current logistic issues and maximize profits by eliminating outside galvanizers.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$15,800,000	\$15,800,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$17.00	
1	20	\$17.00	\$130,000
2	42	\$17.00	\$130,000
3	65	\$17.00	\$130,000
4	65	\$17.00	\$130,000
5	65	\$17.00	\$130,000
6	65	\$17.00	\$130,000
7	65	\$17.00	\$130,000
8	65	\$17.00	\$130,000
9	65	\$17.00	\$130,000
10	65	\$17.00	\$130,000
11	65	\$17.00	\$130,000
12	65	\$17.00	\$130,000
13	65	\$17.00	\$130,000
14	65	\$17.00	\$130,000
15	65	\$17.00	\$180,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$2,000,000**

**County Type:**  
Enhanced

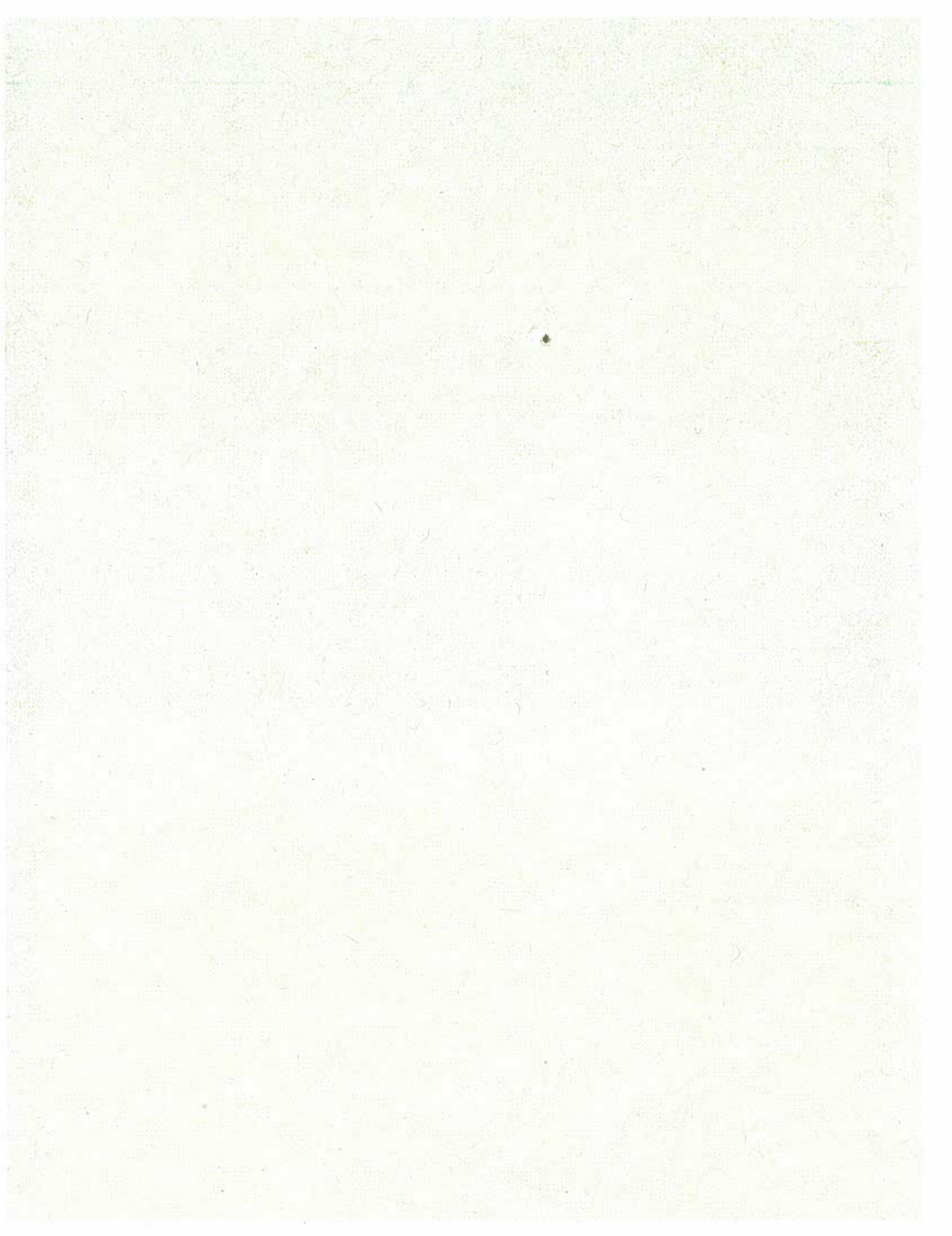
**Statutory Minimum Wage Requirements:**

Base hourly wage: \$9.06  
Total hourly compensation: \$10.42

**Special Conditions:** None

**Modifications since preliminary approval?** No







**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KRA REPORT - FINAL APPROVAL**

**Date:** March 28, 2019  
**Preliminary Approval:** June 30, 2016  
**Approved Company:** Rane Precision Die Casting, Inc.  
**City:** Russellville **County:** Logan  
**Final Resolution #:** KRA-F-19-21125  
**Bus. Dev. Contact:** C. Peek **OFS Staff:** M. Elder

**Project Description:** Rane Precision Die Casting, Inc. is a leading supplier of high-quality, complex aluminum die casting to the North American automotive market. The company manufactures steering components, compressor components, pumps and valve housings.

The company had been incurring significant losses due to poorly maintained tooling machinery resulting in increase machinery downtimes and large overtime labor costs. Rane has incurred losses for the last couple of years and profitability is now marginal. Significant investments were made to replace tooling machinery, refurbish existing equipment and to install new equipment to help turnaround the business.

**Current number of full-time jobs at the project location:**

184

**Required number of full-time jobs to retain at the project location:**

171

**Preliminarily Approved Anticipated Costs**

Equipment and Related Costs

Training Costs

**TOTAL**

Eligible Costs	Total Investment
\$2,875,000	\$5,750,000
\$0	\$0
<b>\$2,875,000</b>	<b>\$5,750,000</b>

**Actual Costs Expended**

Equipment and Related Costs

Training Costs

**TOTAL**

Eligible Costs	Total Investment
\$2,019,978	\$4,039,955
\$0	\$0
<b>\$2,019,978</b>	<b>\$4,039,955</b>


**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$1,200,000**

**Modifications since preliminary approval?** No



## **MEMORANDUM**

**TO:** KEDFA Board Members  
**FROM:** Kylee Palmer   
Department for Financial Services  
**DATE:** March 28, 2019  
**SUBJECT:** IEIA Extension

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The following company has previously received an IEIA preliminary approval and is requesting approval of a time extension:

<b>Company</b>	<b>County</b>	<b>Extension</b>
Cetna Energy, LLC	Boyd	12-month

Staff recommends approval.





**Kentucky Small Business Tax Credit Projects**  
**March 2019**

<b>Small Business</b>	<b>County</b>	<b>Beginning Employment</b>	<b>Eligible Positions</b>	<b>Average Hourly Wage</b>	<b>Qualifying Equipment/Technology</b>	<b>Tax Credit Amount</b>
Cuddle Clones LLC	Jefferson	7	1	\$36.06	\$5,693	\$3,500
JayMase Contruction, LLC	Madison	7	3	\$11.33	\$10,500	\$10,500
M & M Decorating LLC	McCracken	17	2	\$13.25	\$18,990	\$7,000
Mightily, LLC	Jefferson	11	6	\$27.24	\$20,002	\$20,000
Robinson, Hughes & Christopher, P.S.C.	Boyle	16	1	\$19.50	\$6,829	\$3,500
Sisk Nissan, LLC	Christian	25	8	\$23.65	\$57,455	\$25,000
West Sixth Brewing Company, LLC	Fayette	26	3	\$15.83	\$12,524	\$10,500
<b>7</b>	<b>6</b>		<b>24</b>	<b>Total</b>	<b>\$131,993</b>	<b>\$80,000</b>

Note: The tax credit amount will be equal to \$3,500 per eligible position, not to exceed the purchase price of qualifying equipment or technology, with a maximum income tax credit of \$25,000 per company for each calendar year. Per KRS 154.60-020, the maximum amount of credits that may be committed in each state fiscal year shall be capped at \$3,000,000.

<b>Credit Limit</b>	<b>\$3,000,000</b>
<b>Current FY Projected/ Approved Credits</b>	<b>\$1,390,900</b>
<b>Remaining Credits</b>	<b>\$1,609,100</b>